

STATE PROPERTIES COMMITTEE

Tuesday, March 29, 2005

The meeting of the State Properties Committee was called to order at 10:08 A.M. by Chairman Jerome F. Williams. Other members present were, Genevieve Allaire Johnson, Esquire, representing the Department of Attorney General, Mr. Robert Griffith, representing the Department of Administration, and Mr. Thomas Barry, Public Member. Also present were, Ms. Marlene McCarthy-Tuohy and Mr. John Ryan, from the Department of Administration; Ms. Maureen McMahon and Messrs. Daniel Clarke, Paul Carcieri, William McCarthy, Anthony DeQuattro, Robert Jackson, and James O'Connor from the Department of Transportation; Mr. Michael Butler, from FHWA; Misses Kathleen Crawley and Elaine Maguire, from the Water Resources Board, and Messrs Brian Peterson and Dan Silva, from the Coventry Girls Softball League; Ms. Deborah Reavey from the Department of Health; Jacqueline Kelley, Esquire, from the Department of Human Services; Ms. Lisa Primiano and Mary Kay, Esquire, and Messrs. Frederick Vincent and Robert Sutton, from the Department of Environmental Management; Mr. John Farley, from the Department of Children, Youth and Families; and Mr. Thomas Hodge, from the Office of the Auditor General.

Minutes of the meeting held on March 8, 2005 were approved.

1. OLD BUSINESS – DEPARTMENT OF MENTAL HEALTH, RETARDATION & HOSPITALS

A request was made by the Department relative to obtaining signatures on a Quitclaim Deed conveying real estate to Blackstone Valley Mental Health Realty Corporation. This matter was presented on November 9, 2004. This was a request by the Department for final approval and signatures transferring property at 80 Summit Street, Pawtucket and based on that meeting of November 9, 2004, it was approved. The

Department was unaware that it needed to return to the Committee and ask for signatures on the Deed. Ms. Allaire Johnson stated she had spoken with the Department regarding this matter and the Deed was fine as presented. Since this matter had already been approved, the Committee signed the Deed.

2. NEW BUSINESS – Miscellaneous - The next meeting of the State Properties Committee is scheduled to be held on Tuesday, April 12, 2005.

ITEM A – WATER RESOURCES BOARD – A request was made by the Board for final approval and signatures on Lease Agreement with the Coventry Girls Softball League for use of land in Coventry.

In April, 2004, the State Properties Committee and the Water Resources Board evaluated a proposal by the Coventry Girls Softball League and the Committee approved this project conceptually for engineering and design based on the recommendation of the Board. The preliminary plans have evolved into the Agreement being presented for approval and signatures. The Board and legal counsel have reviewed the plans and Agreement as to format and content. Since receiving conceptual approval there have been some design changes in connection with the fields and parking. Mr. Robert Griffith commented that there would be some cutting and filling involved in order to provide level fields, and he inquired if the agreement required that at such time as the Board may require, that the area be restored to its natural state. Mr. Peterson acknowledged that it did. This Lease Agreement is for a ten (10) year term with two five (5) year options. Mr. Griffith stated, as a member of the Board, they agree that this is an appropriate use for the Big River Management area and until such time as it is necessary to use it for its intended purposes.

Ms. Allaire Johnson commented that she had reviewed the document and recommended approval, however noted that she had not received the Certificate of Insurance.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Board for final approval and signatures on Lease Agreement with the Coventry Girls Softball League for use of land in Coventry. Approval was granted subject to receipt of the Certificate of Insurance.

Passed Unanimously

ITEM B – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for final approval and signatures on Third Amendment to Indenture of Lease with Foundry Parcel Fifteen Associates, LLC for lease of office space at 235 Promenade Street, Providence.

Mr. Frederick Vincent, Acting Director of the Department began the presentation by thanking Mr. John Ryan and Mr. Robert Brunelle for their help in this matter.

The Department was requesting approval and signatures on a Third Amendment to Indenture of Lease with Foundry Parcel Fifteen Associates, LLC for the lease of office space at 235 Promenade Street, Providence. The Amendment would extend the current lease for ten (10) years from July 8, 2006 to July 7, 2016. The Department currently occupies 125,000 square feet. The Department has noted a need for additional space, specifically for laboratory work and storage of equipment. The Amendment would increase the amount of space to 126,184 square feet. The Department has made substantial changes over the past six years and as a result of the Governor's Physical Fitness recommendation, it is posed to make substantial relocations within its space. The Foundry is obligated at its sole expense, to make many capital improvements to accommodate a reorganization of the Department. This would include a build out on the

first floor, which will allow the relocation of the Department's Division of Enforcement from 83 Park Street to the Foundry Complex. The Foundry will also be improving space on the third floor and other rooms on the second floor. The Department will be shifting a number of offices as part of the Fiscal Fitness reorganization. Another change would be the cafeteria space. The Foundry has undertaken the renovation of the cafeteria which would be used for either meeting space or office space. Mr. Vincent stated a major point is a change in the cancellation clause, and a very competitive rental rate for the space which includes full parking, janitorial services, security services and electrical allowances. The rental amount would increase from \$14.95 to \$15.96 per square foot for the first five years of the extension period and \$17.21 for the second five years of the extension period. The Department has agreed to flexibility in the relocation of parking. Attorney Mary Kay explained this referring to a map of the Foundry Complex. The Department explained the new cancellation clause. The Department would not cancel for the first five (5) years of the Lease and then, in the second five (5) years of the Lease, if it were going to move forward to cancel, it would be with eighteen (18) months notice. The only other change is the language regarding the inspections by the Fire Marshal's Office. Discussion ensued regarding the cancellation clause and the storage problem with documents below the flood plain.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for final approval and signatures on Third Amendment to Indenture of Lease with Foundry Parcel Fifteen Associates, LLC for lease of office space at 235 Promenade Street, Providence.

Passed Unanimously

The Chair, Mr. Williams acknowledged the retirement of Mr. Frederick Vincent. He went on to say that he has had a distinguished career, is a very dedicated professional

and it has been a pleasure to work with him. The Chairman wished him all the best as he leaves State service.

ITEM C – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT –A request was made by the Department for approval and signatures on an Indenture of Lease with John Bitzko for use of residential property in Burlingame State Park, Charlestown.

At the request of the Department, this item was deferred to April 12, 2005.

ITEM D – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT - A request was made by the Department for conceptual approval and authority to proceed with an appraisal for land swap at World War II State Park, Woonsocket.

The plan and the project involves land at World War II State Park in Woonsocket. World War II State Park is essentially an urban park and is the biggest park that the Department operates and is the only park in the City of Woonsocket. The Department has been concerned about the quality of the pedestrian access to World War II State Park and this project is consistent with what the Department has been trying to do with the several different ownerships of the land next to the park over the years. A map depicting the area was displayed.

A private owner has requested 1088 square feet of land. This would allow him room necessary to demolish the existing building and use and construct a Dunkin Donuts. This is a small portion of undeveloped park land. One parcel consisting of 4,231 square feet of land would be transferred from the private owner to the Department. The Department currently holds a right of way easement on the majority of this land. Another parcel consisting of 1209 square feet is land that the owner would add to that. The total amount of land that would be transferred to the State is 5,440 square feet and the State would “swap” that for the 1088 square feet of land. The Department was requesting to

move forward and get an appraisal and do all of the due diligence to make this a proper transfer and then return to the State Properties Committee with the final Deed and all of the information.

Mr. Griffith felt it appropriate to express his views on the fact that the State continues to maintain and operate this as a State Park, when it is effectively an urban park that largely serves the people of the City of Woonsocket, and he feels that the State should have been out of this business a long time ago. Discussion took place.

The Chair, Mr. Williams inquired if the Department had paid for the Conservation Easement. He asked that the Department do a review of this, and stated when the Department returns with the appraisal it would be interesting to see what the Department paid for the Conservation Easement.

A Motion was made by and seconded by to approve the request of the Department for conceptual approval and authority to move forward to get an appraisal and start the process for developing a Deed and making the transfer for land swap at World War II State Park, Woonsocket. Inherent in the Motion is that the Department would return with everything to the State Properties Committee upon completion and information regarding the Conservation Easement.

Passed Unanimously

ITEM E – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT –A request was made by the Department for approval and signatures on Purchase and Sale Contract with the Westerly Land Trust for acquisition of Conservation Easement over land in Westerly.

This is for the purchase of a Conservation Easement over 482 acres of land in Westerly. This a piece of property that was acquired by the Westerly Land Trust. The property was valued at 3.6M. The Westerly Land Trust had negotiated with the former

owner to pay him \$2M for that property. The Westerly Land Trust under this easement would be the owner and the Department would be a co-manager of the property. The property has two miles of frontage on the Pawcatuck River and abuts Amtrak's high-speed rail corridor. It contains diverse terrestrial, wetland, and open water habitats that support a wide variety of species. The property is located in one of the most significant watersheds in southern Rhode Island. Public use will be allowed on this recreation area, including hiking, hunting and fishing. The purchase price for the Conservation Easement is \$1,650,000.00. Funding is being provided from the following sources. \$710,000.00 from the Department's Land Acquisition Program; \$300,000.00 from the Department's Local Open Space Grant Program; \$500,000.00 from The Nature Conservancy, through a grant from the Champlin Foundations; and an additional \$140,000.00 from The Nature Conservancy, through a grant from the Doris Duke Charitable Foundation.

Mr. Griffith inquired about any wells on the property. Discussion took place.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for approval and signatures on Purchase and Sale Contract with the Westerly Land Trust for acquisition of Conservation Easement over land in Westerly.

Passed Unanimously

ITEM F – OFFICE OF THE CHILD ADVOCATE – A request was made by the Office of the Child Advocate for final approval and signatures on Lease for office space at 272 West Exchange Street, Providence.

At the request of the Department, this matter was deferred to April 12, 2005.

ITEM G – DEPARTMENT OF CHILDREN, YOUTH AND FAMILIES – A request was made by the Department for approval and signatures on Subordination, Non-

Disturbance and Attornment Agreement with Citizens Bank of Rhode Island and Boucher Properties, LLC relating to lease of property at 1919 Social Street, Woonsocket.

In January, 2002, the State Properties Committee authorized the Department to execute a lease with Swiftech, LLC for the use of office space located at 1919 Social Street, Woonsocket. In December of 2004, Swiftech, LLC sold the property to Boucher Properties, LLC. As part of the closing, the mortgagee requested the parties execute a Subordination, Non-Disturbance and Attornment Agreement. As part of the original Lease Agreement, the State agreed that the Lease would be "...subject to and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage..." In addition, the State agreed to execute a non disturbance agreement that was in form and content reasonably acceptable to the Lessee.

A Motion was made by and seconded by to approve the request of the Department for approval and signatures on Subordination, Non-Disturbance and Attornment Agreement with Citizens Bank of Rhode Island and Boucher Properties, LLC relating to lease of property at 1919 Social Street, Woonsocket.

Passed Unanimously

ITEM H – DEPARTMENT OF HEALTH – A request was made by the Department for permission to issue RFP for leasing of office space.

There is an overcrowding in the Department of Health Building, located at Three Capitol Hill, Providence. The Department is looking for an opportunity to relocate 40 people from that building. State owned and other sites have been looked at and none have worked out. The Department is requesting permission to advertise to move about 40 people out of that building. Monies are available in the budget for this project. The Department has also been advised that there has been some surplus furniture turned over

to the Department of Administration and the Department has made a request to use those cubicles.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for permission to issue an RFP for leasing of office space

Passed Unanimously

ITEM I – DEPARTMENT OF HUMAN SERVICES – A request was made by the Department for approval to negotiate a lease for office space at 7732-7736 Post Road, North Kingstown with Post Road Plaza, Ltd.

The Department is requesting permission to take an option to renew that is currently in this current Lease for five (5) years. The property is located at 7732-7736 Post Road, North Kingstown. The Department occupies 4,387 square feet of space and is paying \$9.25 per square foot. Funding is 50% Federal and 50% State.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval to negotiate a lease for office space at 7732-7736 Post Road, North Kingstown with Post Road Plaza, Ltd.

Passed Unanimously

ITEM J – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on License Agreement with Grasso's Service Center, Inc. for land along Hartford Avenue, Providence.

The Department was re-visiting the request from Grasso's Service Center, Inc. to license 5,000 square feet of property along Hartford Avenue, Providence. The Department came before the Committee in January, 2005 with this request. At that time, there was some discussion regarding the market value of the property and the approach to value by the Department's appraisers. The Department touched base with its appraisal staff and they are comfortable with their approach to value. The Department also went

back to the owner. The appraisers are comfortable with the market value of \$250.00 per month and the owner indicates that is all that he can afford. The term of the License Agreement is for a three (3) year period.

The Chair, Mr. Williams inquired about the grass on the property and suggested that language should be included in the agreement that once the license expires, Grasso's Service Center, Inc. should restore the area to its former condition. Mr. DeQuattro stated this is included in the License Agreement.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for approval and signatures on License Agreement with Grasso's Service Center, Inc. for land along Hartford Avenue, Providence

Passed Unanimously

ITEM K – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on new Quit-Claim Deed with Chapel Associates for land in Cranston.

On June 18, 2002, the State Properties Committee granted final approval and execution of Deeds which ultimately conveyed 24,204 square feet of land to Chapel Associates to the State of Rhode Island. The property is located at the corner of New London Avenue and Sockanosset Crossroads, Cranston. Prior to that, then Director Ankner met with the developer and entered into an agreement which bound the parties to certain responsibilities. The developer gave, at no expense to the State of Rhode Island, certain easements needed for the reconstruction of Sockannoset Crossroads at New London Avenue. The State of Rhode Island, by virtue of closing off a ramp that went into Garden City, created a piece of property that became appended to the Sockansset development. The agreement also stated, that a closing would be held in 2002 and that happened on September 25, and the Deeds would be put in escrow with Chicago title.

At the time the Department received the check for \$65,350.80 and that check was deposited. It was the intent of the escrow agent to hold the Deed until construction was complete and the Deed would be recorded. Recently, the escrow agent notified the Department that the Deed was misplaced and requested a new Deed.

A Motion was made by Mr.Griffith and seconded by Ms. Allaire Johnson to approve the request of the Department for approval and signatures on new Quit-Claim Deed with Chapel Associates for land in Cranston.

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-4 (a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

The property to be considered is located in Providence, Warwick and Johnston.

A Motion was made to go into Executive Session by Mr. Griffith and seconded by Mr. Allaire Johnson. A roll call vote was made. Ms. Allaire Johnson voted “Aye”, Mr. Griffith voted “Aye”, Mr. Barry voted “Aye”, and the Chair voted “Aye”.

Ms. Allaire Johnson left the meeting at 11:45 A.M.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to close the Executive Session and return to the regular meeting. The Motion was approved unanimously.

The regular session of the State Properties Committee re-opened with the following requests.

DEPARTMENT OF TRANSPORTATION

1) A request was made by the Department for review and request of approval of bid award for the “Farmers Market” property, Providence, to Carpionato Properties, Inc., Bid No. SPLP89.

In December 2003, the Department appeared before the Committee and requested permission to develop a Request for Proposals to sell the “Farmer’s Market” property on Harris Avenue in Providence. The Committee assented to the Department drafting a request for proposals and on May 6, 2004 the Department held the first of two pre-bid conferences for the sale of the building. Another pre-bid conference was held on June 3, 2004. The Department exercised due diligence in its approach to the marketing of this property. The Department advertised in the Wall Street Journal, Boston Globe, Providence Journal and several of the area local and trade papers and garnered about fifty (50) interested parties. Bids were received and opened on July 8, 2004. Carpionato Properties, Inc. was the high bidder. After an extensive examination of the Carpionato Properties bid, (that examination included per returns of the RFP, the approval of the Rhode Island Historic Preservation Commission, the approval of the Federal Highway Administration and in an in-house examination by the Department of the Transportation), the Department recommends the bid award to Carpionato Properties, Inc. at \$4.5M.

The property comprises 6.9 acres of land. This property was acquired from Amtrak (National Rail Passenger Corporation) by Deed in December of 1998. There are no former owners involved.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval of bid award for the “Farmers Market” property, Providence, to Carpionato Properties, Inc., Bid No. SPLP89 .

Passed Unanimously

2) A request was made by the Department for approval to convey 6.5 acres of property located at Route 113 and Route 5, Warwick to Carpionato Properties, Inc. for the sum of \$2,445,000.00.

On February 22, 2005 the Committee approved the sale of 6.5 acres of vacant land south of the land that had been the Apex property in Warwick on Route 5. The Apex property had been purchased by Carpionato Properties and Carpionato Properties expressed interest in purchasing the 6.5 acres of State land. Ms. Carcieri pointed out two corrections to the memo dated March 25, 2005 to the Chairman. One error was typographical. The subject line of the new memo presented to the Committee reads “Conveyance of 6.5 Acres of Vacant Land, Routes 5 and 113, Warwick”. The original memo sent stated the property was at Routes 6 and 113. In addition, a line was missing in the original memo. A new line has been added to the first line of the second paragraph, which reads “Subsequently, we entered into negotiations with Carpionato Properties and settled at \$2,445,000.00”.

The Department is recommending that this offer be accepted and serve as the conveyance price of the property, \$2,445,000. The \$2,445,000.00, when added to funds that Mr. Carpionato has contributed or agreed to fund for the Department’s project, brings the total value to the State to \$2,740,000.00.

During the Executive Session, Ms. Allaire Johnson had asked a question on the Action Request Form about the notation that indicated that based upon in house legal opinions the former owners have waived any repurchase rights. Mr. Carcieri noted that at

the February 22 presentation, the Department corrected that, saying that the Department is still investigating that question and during the discussions with Carpionato, the Department made the observation that unless they could demonstrate that these rights hadn't indeed been waived, (and at that point the Department advised they contact the Ms Allaire Johnson of the Office of the Attorney General to discuss that question), the Department would make the offers to the former owners. In other words, in one way or the other, the Department would satisfy the Committee; the offer is made or the Committee would accept in advance a document attesting to the waiver of those rights. It is still an ongoing question and has not been resolved. The Department stated that when it next appears with the Deed, it would advise the Committee, or demonstrate in advance, its position on this issue. Ms. Allaire Johnson had stated that she had not received anything on this as yet, and as far as she was concerned, at this point, the Department needs to go to the former owners because this was acquired by condemnation. There are two former owners.

A discussion took place about the signalization and the easements and project designs.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval to convey 6.5 acres of property located at Route 113 and Route 5, Warwick to Carpionato Properties, Inc. for the sum of \$2,445,000.00. Approval was granted subject to resolution of the former owner.

Passed Unanimously

3) A request was made by the Department for approval of the acquisition of Condemnation Plat 2633, Hartford Avenue, Johnston for the Hartford Avenue Reconstruction Project.

The purpose of this project is to improve traffic flow and upgrade signalization on Route 6, Hartford Avenue. The Department is requesting to acquire easements and strip takings for thirty-two (32) parcels. The project is 80% Federally funded. Thirteen (13) parcels require acquisitions of 19,459 square feet of land. Twenty-nine (29) parcels require temporary easements of 19,667 square feet. Twelve (12) Parcels are effected by permanent aerial easements totaling 15,333 square feet. Two (2) parcels are affected by permanent guy easements of 240 square feet. The appraised value of the thirty-two (32) parcels is \$341,941.00, of which 80% is Federally funded.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval of the acquisition of Condemnation Plat 2633, Hartford Avenue, Johnston for the Hartford Avenue Reconstruction Project. Approval was granted subject to the Department reconfirming the spreadsheet.

Passed Unanimously

4) A request made by the Department for approval of the acquisition of Condemnation Plat 2656A/Parcel 1B, temporary easement, Warwick - for the Buckeye Brook Multi-Use Bike Path, Warwick.

This item is to seek access to property in Warwick. The Department is proposing to have a Multi-Use Bike Path in Warwick. The bike path will provide a connection between the Mickey Stevens Sports Complex along Cedar Swamp Road over Buckeye Brook to Rufus Road in Warwick. The Department needs to get on the property to conduct borings and an archaeological survey for a two - month period. One parcel will require a temporary easement for sixty (60) days comprising 6,500 square feet. Compensation is \$325.00.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for approval of the acquisition of Condemnation Plat 2656A/Parcel 1B, temporary easement, Warwick - for the Buckeye Brook Multi-Use Bike Path, Warwick.

Passed Unanimously

5) A request made by the Department for approval of Condemnation Plat 2660, Parcels 1B and 2B, temporary easement, Providence, for the Industrial Drive Bridge No. 882, Providence.

The Department is requesting authorization for a three (3) year temporary construction easement for the Industrial Drive Bridge project, on Industrial Drive in Providence. A total of two (2) parcels will be affected by a three year temporary easement comprising 5,545 square feet. Cost for the easements is \$740.00 of which 80% is Federally funded.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for approval of the acquisition of Condemnation Plat 2660, Parcels 1B and 2B, temporary easement, Providence, for the Industrial Drive Bridge No. 882, Providence.

Passed Unanimously

All matters presented to the Committee were approved by all present. There being no further business to come before the Committee, the meeting adjourned at 12:00 NOON.

Anne L. Lanni, Executive Secretary